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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/945,469	08/30/2001	Ryan Matthew LaSalle	05222.00130	3240

29638   7590   12/07/2004

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EXAMINER
BORISSOV, IGOR N

ART UNIT	PAPER NUMBER
3629	

DATE MAILED: 12/07/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)
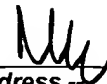
		Application No.	Applicant(s)
Office Action Summary		09/945,469	LASALLE ET AL.
		Examiner	Art Unit
		Igor Borissov	3629

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>03</u> MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>*24 August 2004*</u>.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-44* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-44* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☐ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application (PTO-152)

6)☐ Other: _____.

DETAILED ACTION

Response to Amendment

Amendment received on 8/24/2004 is acknowledged and entered. Claims 12-13, 17 and 44 have been amended. Claims 1-44 are currently pending in the application.

Claim Objections have been withdrawn due to the applicant's amendment.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 17-20 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 17 recites the limitations "the transactional trust list" and "the entity trust list". There is insufficient antecedent basis for these limitations in the claim.

Claims 18-20 are rejected as being dependent on claim 17.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 2-35 and 40-43 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claimed invention is not within the technological arts.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing

for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson,* 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject

matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.,* the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a

§101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*,
61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

Contrary to the claims in the above-cited cases, in the present application, the
claims are completely silent with regard to technology and is purely an abstract idea or
process steps that are employed completely without the use of any technology
whatsoever. The independently claimed elements: *an entity trust list containing at least
one characteristic of at least two entities; and a transactional trust list containing a
parameter relative to an exchange between at least two entities through at least one
degree of separation between entities; the at least one parameter being indicative of an
action that a trusted party can perform; a capability domain and activity trust level
database for each of the at least two entities*, are abstract ideas which can be assessed
mentally without interaction of a physical structure. The phrases *"an entity trust list"* and
"activity trust level database" may be understood as merely keeping notes about a
subject of interest. However, the claimed invention must utilize technology in a non-
trivial manner (*Ex parte Bowman, 61 USPQ2d 1665, 1671 (Bd. Pat. App. & Inter.
2001)*). Although Bowman is not precedential, it has been cited for its analysis.

Furthermore, in accordance with MPEP 2106 (IV)(B)(2)(b) "Statutory Process
Claims", not all processes are statutory under 35 U.S.C. 101. *Schrader*, 22 F.3d at 296,
30 USPQ2d at 1460. To be statutory, a claimed computer related process must either:
(A) result in a physical transformation outside the computer for which a practical
application in the technological arts is either disclosed in the specification or would have
been known to a skilled artisan, or (B) be limited to a practical application within the
technological arts. See *Diamond v. Diehr*, 450 U.S. at 183-184, 209 USPQ at 6
(quoting *Cochrane v. Deener*, 94 U.S. 780, 787-788 (1877)). The claims in the present
application do not appear to satisfy either of the two conditions listed above. First, the
claims do not include limitations that would suggest a computer is being used to
transform the data from one form to another that would place the invention in the
technological arts. Second, disregarding the fact that there is no computer claimed that
would physically transform the data, there does not appear to be any physical
transformation of data. The claims merely determine a level of trust, which appears to

be an arbitrary abstract thing and not a discrete value resulting from a calculation of certain parameters by a computer or processor. Thus, there neither appears to be any physical transformation of data from one form to another which is based upon an algorithm or a calculation by a computer or processor, nor is there any technology claimed that would be used to transform the data.

As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) a network system, or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble. Furthermore, the preamble comprises a general description of all the elements or steps which are conventional or known (MPEP 608.01 (i) (e).), and therefore, does not constitute an invention.

As to "wherein" clause, it merely states the intended use of the invention, or the result of the limitations in the claim, and adds nothing to the patentability of the claim. Mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process.

Because the independently claimed invention is directed to an abstract idea which does not recite a limitation in the technological arts, those claims are not permitted under 35 USC 101 as being related to non-statutory subject matter. However, in order to consider those claims in light of the prior art, examiner will assume that those claims recite statutorily permitted subject matter.

Claim Rejections - 35 USC § 102

The following is a quotation of 35 U.S.C. 102(e) which forms the basis for all obviousness rejections set forth in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the

applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-20, 23 and 44 are rejected under 35 U.S.C. 102(e) as being anticipated by Tarrant (US 2002/0128939).

Tarrant teaches a method and system for sharing investor information over an electronic network, comprising:

Claim 1, a computer including a processor and a database for storing data and instructions [0021]. Information as to content of the instructions, including: *receiving an inquiry; receiving a response; indicating availability of establishing new relationship; indicating a trust level about the sought entity by the intermediate entity; and determining whether information can be shared*, is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 2. Said system including a network, a computer including a processor and a database for storing data and instructions [0021], said database containing a list of users and information related to levels of trustworthiness [0047]. Information as to content of the database and instructions, including: *characteristics of entities; a level of trust being gauged by the at least one characteristic; and a parameter relative to an exchange between two entities,* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in

terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 3, see claim 2.

Claims 4 and 5, said system wherein the network is the Internet [0026].

Claim 6, see claim 2.

Claims 7-12, see claim 2.

Claim 13. Said system including a database for storing data and instructions [0021], said database containing a list of users and information related to levels of trustworthiness [0047]. Information as to content of the database and instructions, including: *characteristics of entities; a level of trust being gauged by the at least one characteristic; and a parameter relative to an exchange between two entities; a parameter being indicative of an action that a trusted party can perform; a capability domain for each of the at least two entities*, is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 14, see claim 13. Information as to *each respective role defines a respective function* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 15, see claim 13. Information as to *each respective level of* trust *in the plurality of levels of trust defines a respective level of trust between the entities* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 16, see claim 13. Information as to *respective business process is associated with each combination of a respective role and a respective trust level* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the

claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 40, see claim 13. Information as to *the corresponding business process is selected from a group consisting of a design process, a source process a plan process and a service process* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 41, see claim 13. Information as to *the entity trust list includes an overall trust score between two entities* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 17. Said system including a database for storing data and instructions [0021], said database containing a list of users and information related to levels of trustworthiness [0047]. Information as to content of the database and instructions, including: *a capability domain for each of the at least two entities; a plurality of levels of*

trust and a plurality of entity roles, is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 18, see claim 17. Information as to *each respective level of* trust *in the plurality of levels of trust defines a respective level of trust between the entities* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 19, see claim 17. Information as to *each respective role defines a respective function* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as

described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 20, see claim 17. Information as to *respective business process is associated with each combination of a respective role and a respective trust level* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 23. Said method, comprising: sending an inquiry to an intermediate entity entity; receiving a response from the intermediate entity indicating an existing relationship between the sought entity and an intermediate entity; establishing a new business relationship with the sought entity based on the response, the response being indicative or a trust level of a sought entity and of a corresponding valuation criterion (trustworthiness) [0018]; [0021].

Claim 44, said system including databases containing entities-related information, wherein said entities are identified as a members of a hierarchy of sources organized by level of trustworthiness [0018]; [0021], and information related to transactions [0063]. Information as to specific content of said databases, and information as to *storing a trust level for each directly interconnected entity and at least one corresponding valuation criterion for determining the trust level* is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from

a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 21-22, 24, 30, 35-36 and 42-43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tarrant in view of Krysiak et al. (US 2002/0078003).

Claim 21. Tarrant teaches said method, comprising: sending an inquiry to an intermediate entity; receiving a response from the intermediate entity indicating an existing relationship between the sought entity and an intermediate entity [0018]; [0021].

Tarrant does not explicitly teach establishing a business relationship with the sought entity based on the response.

Krysiak et al. teach a method and system for identifying information sources based on one or more trust networks associated with one or more knowledge domains, wherein a business relationship is established based upon an evaluation of trustworthy of a sought party [0014].

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Tarrant to include establishing a business relationship with the sought entity based upon an evaluation of trustworthy of a sought party, as disclosed in Krysiak et al, because it would advantageously allow to prevent signing a contract with an incompetent entity, thereby avoiding financial losses.

Claim 22. Tarrant teaches all the limitations of claim 22, except specifying the degree of separations between the entities.

Krysiak et al. teach said method and system for identifying information sources based on one or more trust networks associated with one or more knowledge domains, wherein the multiple path connections (degree of separation) is provided for identifying the most trusted path connection (Figs. 11-14; [0070] – [0076]).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Tarrant to include identifying multiple path connections for identifying the most trusted path connection, as disclosed in Krysiak et al, because it would advantageously allow users to collect the most trusted information about sought entity.

Claim 24. Tarrant teaches: receiving at one entity a contact identifying another entity; identifying said another entity as a member of a trusted entities list; establishing a business relationship with the sought entity based on the information being indicative of the level of trustworthiness of said another entity [0018]; [0021]. Information as to *first* and *second* entity is non-functional language and given no patentable weight. Non-functional descriptive material cannot render non-obvious an invention that would otherwise have been obvious. *See: In re Gulack 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) In re Dembiczak 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999).* The specific example of non-functional descriptive material is provided in MPEP 2106, Section VI: (example 3) a process that differs from the prior art only with respect to non-functional descriptive material that cannot alter how the process steps are to be performed. The method steps, disclosed in Tarrant would be performed the same regardless if said entities are *first* or *second* entities, or not.

However, Tarrant does not specifically teach the degree of separations between the entities.

Krysiak et al. teach said method and system for identifying information sources based on one or more trust networks associated with one or more knowledge domains, wherein the multiple path connections (degree of separation) is provided for identifying the most trusted path connection (Figs. 11-14; [0070] – [0076]).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Tarrant to include identifying multiple path connections for identifying the most trusted path connection, as disclosed in Krysiak et al, because it would allow users to collect the most trusted information about sought entity.

Claim 42, said method, wherein each of trusted entities is associated with hierarchical levels of trustworthiness (which appears to have four levels: A, B, C and D), thereby obviously indicating a predetermined minimum trust level (Tarrant; [0045]; [0047]).

Claims 30. Tarrant teaches: receiving at one entity a contact identifying another entity; checking a list of trusted entities for identifying said another entity as a member of a trusted entities list; establishing a business relationship with the sought entity based on the information being indicative of the level of trustworthiness of said another entity [0018]; [0021]. Information as to *first, second and third* entity is non-functional language and given no patentable weight. Non-functional descriptive material cannot render non-obvious an invention that would otherwise have been obvious. *See: In re Gulack 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) In re Dembiczak 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999).*

However, Tarrant does not specifically teach the degree of separations between the entities.

Krysiak et al. teach said method and system for identifying information sources based on one or more trust networks associated with one or more knowledge domains, wherein the multiple path connections (degree of separation) is provided for identifying the most trusted path connection (Figs. 11-14; [0070] – [0076]).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Tarrant to include identifying multiple path connections for identifying the most trusted path connection, as disclosed in Krysiak et al, because it would allow users to collect the most trusted information about sought entity.

Claim 43, said method, wherein each of trusted entities is associated with hierarchical levels of trustworthiness (which appears to have four levels: A, B, C and D),

thereby obviously indicating a predetermined minimum trust level (Tarrant; [0045];
[0047]).

Claim 35. Tarrant teaches: receiving at one entity a contact identifying another
entity; checking a list of trusted entities for matching said another entity with a list of
member of a trusted entities list; establishing a business relationship with the sought
entity based on the information being indicative of the level of trustworthiness of said
another entity [0018]; [0021]. Information as to *first, second and third* entity is non-
functional language and given no patentable weight. Non-functional descriptive material
<u>cannot</u> render non-obvious an invention that would otherwise have been obvious. *See:
In re Gulack 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) In re
Dembiczak 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999).*

However, Tarrant does not specifically teach the degree of separations between
the entities.

Krysiak et al. teach said method and system for identifying information sources
based on one or more trust networks associated with one or more knowledge domains,
wherein the multiple path connections (degree of separation) is provided for identifying
the most trusted path connection (Figs. 11-14; [0070] – [0076]).

It would have been obvious to one having ordinary skill in the art at the time the
invention was made to modify Tarrant to include identifying multiple path connections
for identifying the most trusted path connection, as disclosed in Krysiak et al, because it
would allow users to collect the most trusted information about sought entity.

Furthermore, Tarrant and Krysiak et al. do not specifically teach forwarding a "Do
You Know" query to further companies. Examiner points out that there is no indication in
the specification that said feature ("Do You Know" query) provides the advantage over
the prior art. Without such indication, it appears that the use of said query appears to
be an obvious variation of business relationship inquiries.

Claim 36. Tarrant teaches: receiving at one entity a contact identifying another
entity; checking a list of trusted entities for identifying said another entity as a member
of a trusted entities list; establishing a business relationship with the sought entity based
on the information being indicative of the level of trustworthiness of said another entity

[0018]; [0021]. Information as to *first and second* entity is non-functional language and given no patentable weight. Non-functional descriptive material <u>cannot</u> render non-obvious an invention that would otherwise have been obvious. *See: In re Gulack 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) In re Dembiczak 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999).*

However, Tarrant does not specifically teach the degree of separations between the entities.

Krysiak et al. teach said method and system for identifying information sources based on one or more trust networks associated with one or more knowledge domains, wherein the multiple path connections (degree of separation) is provided for identifying the most trusted path connection (Figs. 11-14; [0070] – [0076]).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Tarrant to include identifying multiple path connections for identifying the most trusted path connection, as disclosed in Krysiak et al, because it would allow users to collect the most trusted information about sought entity.

Claims 25-29, 31-34 and 37-39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tarrant and Krysiak et al. in view of Smith et al. (US 2002/0152086).

Claims 25-29. Tarrant and Krysiak et al. teach all the limitations of claims 25-29, including a data base having a plurality of levels of trust (Tarrant; [0018]), except for plurality of entity roles, wherein each respective role in the plurality of roles defines a respective function that one entity fulfills to another entity.

Smith et al. teach a method and system for controlling a lifestyle of an electronic contract for a business relationship, wherein roles are associated with business relationship elements [0018].

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Tarrant and Krysiak et al. to include associating roles with business relationship so that each respective role defines a respective function that one

entity fulfills to another entity, as disclosed in Smith et al., because it would increase the degree of trust of users in conducting business over the computer network using a mechanism that tie the business relationship to terms and conditions of a legal contract (Smith et al. [0007]).

Claim 37. Tarrant teaches a database having a plurality of levels of trust [0018]. except for plurality of entity roles, wherein each respective role in the plurality of roles defines a respective function that one entity fulfills to another entity.

However, Tarrant does not specifically teach the degree of separations between the entities, and a plurality of entity roles.

Krysiak et al. teach said method and system for identifying information sources based on one or more trust networks associated with one or more knowledge domains, wherein the multiple path connections (degree of separation) is provided for identifying the most trusted path connection (Figs. 11-14; [0070] – [0076]).

Smith et al. teach said method and system for controlling a lifestyle of an electronic contract for a business relationship, wherein roles are associated with business relationship elements [0018].

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Tarrant to include identifying multiple path connections for identifying the most trusted path connection, as disclosed in Krysiak et al, because it would allow users to collect the most trusted information about sought entity.

And it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Tarrant and Krysiak et al. to include associating roles with business relationship so that each respective role defines a respective function that one entity fulfills to another entity, as disclosed in Smith et al., because it would increase the degree of trust of users in conducting business over the computer network using a mechanism that tie the business relationship to terms and conditions of a legal contract (Smith et al. [0007]).

Claims 38-39, see claim 37.

Response to Arguments

Applicant's arguments filed 8/24/04 have been fully considered but they are not persuasive.

In response to the applicant's argument that Tarrant does not teach a computer system for storing data and instructions as recited in claim 1, the examiner points out that Tarrant teaches said system for sharing information over the network, comprising: a computer including a processor and a database for storing data and instructions [0021]. Information as to content of the instructions, including: *receiving an inquiry; receiving a response; indicating availability of establishing new relationship; indicating a trust level about the sought entity by the intermediate entity; and determining whether information can be shared*, is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

In response to the applicant's argument that Tarrant does not teach a computer system for storing data and instructions as recited in claim 13, the examiner points out that Tarrant teaches said system including a database for storing data and instructions [0021], said database containing a list of users and information related to levels of trustworthiness [0047]. Information as to content of the database and instructions, including: *characteristics of entities; a level of trust being gauged by the at least one characteristic; and a parameter relative to an exchange between two entities; a parameter being indicative of an action that a trusted party can perform; a capability domain for each of the at least two entities*, is non-functional language and given no functional weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

In response to the applicant's argument that the prior art does not teach querying, if the first entity is not a trusted entity and if there is an indication that trusted

entities are permitted to forward requests to other trusted parties, and specifying a predetermined degree of separation, it is noted that Krysiak does teach these features. Specifically, Krysiak teaches that, during "trust search", if the first entity (Bob) has lower level of "trustworthiness" (self-evaluation) then the other party (Jane or Joe), the request is forwarded to said other parties with indicating a degree of separation [0070]; Figs. 10-14).

In response to the applicant's argument that the prior art does not show "Do You Know" query, the examiner maintains that without indicating in the specification the advantage of said query over the prior art, the use of said query appears to be an obvious variation of business relationship inquiries.

In response to the applicant's argument that the prior art does not teach a database structure which is indexed by the capability domain and the activity trust domain to obtain a corresponding business process, it is noted that Krysiak teaches said method and system, including web pages (databases) displaying information regarding available type of services (capability domain) (Figs. 3 and 4) and "trustworthy" rating (Fig. 10).

Conclusion

Any inquiry concerning this communication should be directed to Igor Borissov at telephone number (703) 305-4649.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's Supervisor, John Weiss, can be reached at (703) 308- 2702.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
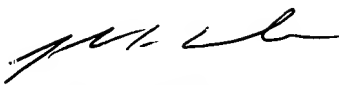
Washington D.C. 20231

or faxed to:

(703) 872-9306   [Official communications; including After Final
communications labeled "Box AF"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.

IB

12/01/2004

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